EXPARE SECTION 5



Frank S. SimoneRegulatory Division Manager
Federal Government Affairs

Suite 1000 1120 20th St., NW Washington, DC 20036 202 457-2321 FAX 202 457-2545 EMAIL gall20a!fsimone

November 19, 1996

RECEIVED

NOV 1 9 1996 .

Mr. William F. Caton, Acting Secretary Federal Communications Commission 1919 M Street, NW - Room 222 Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Re: Ex Parte - CC Docket No. 95-116, Telephone Number Portability

Dear Mr. Caton:

Today Harry Sugar and I met with Carol Mattey, Melinda Littell, Jeannie Su and Susan McMaster of the Policy and Planning Division of the Common Carrier Bureau. The purpose of the meeting was to discuss recent ex parte letters filed by Bell Atlantic and Pacific Telesis regarding AT&T's October 29, 1996 presentation on the cost of implementing local number portability. In addition, AT&T discussed the role of advertising in creating customer perceptions of service quality.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)1.

Sincerely

I rank S. Simony held

Enclosure

cc: Ms. Susan McMaster

Ms. Carol Mattey

Ms. Melinda Littell

Ms. Jeannie Su

Recycled Paper

CC Docket No. 95-116 Telephone Number Portability

ILECs Understate QOR Costs

"With internet traffic doubling every 45 days...Short term, telephone companies have to upgrade and add capacity to their networks to keep the traffic flowing."

R.D. McCormick, Chairman & CEO - US West, Communications Week, November 18, 1996

- This growth, coupled with the growth of transaction based services, is straining the ILEC network today. Add to this the stimulative effect of lower prices due to competition and local network usage will grow even faster.
 - With regard to the growth of the Internet, Michael Fitzpatrick, CEO-Pacific Telesis Enterprises, in his keynote address at Wescon/96 on 10/23/96, said "Reinforcing local exchange networks nationwide could be consuming \$1.5B a year by 1999."
- QOR will exacerbate this situation by using switching and trunking capacity that might otherwise delay the point at which capacity must be added to the local network to accommodate this growth.
 - It is appropriate to include the cost of advancing the time when new capacity must be added because the spare capacity has been used. 1
 - Because QOR uses this capacity, the effect of deploying QOR on the whole company is that it will have to spend more with QOR than LRN to add facilities for local exchange growth.

 The ILECs have left these costs out which, falsely, make QOR appear more attractive.

 ering Economy, A Manager's Guide to Economic Decision Making, Third Edition, McGraw-Hill, 1977, page 261.

¹ Engineering Economy, A Manager's Guide to Economic Decision Making, Third Edition, McGraw-Hill, 1977, page 261.

CC Docket No. 95-116 Telephone Number Portability

PacBell Incorrectly Describes QOR "Lookahead"

QOR does seize trunk circuits as part of the "lookahead."

- "The QOR initiating SSP selects an idle ISUP circuit to the Donor Switch based on the Called DN and formulates an ISUP IAM message. ... If no idle trunk circuit is available ... QOR processing shall be terminated ..." (emphasis added) 1
- "The information used to determine the routing of the call by the originating exchange will be included in the Initial Address Message to permit correct routing at intermediate exchanges. The Initial Address Message conveys the meaning that the indicated circuit has been seized."²
- "An intermediate exchange, on receipt of an Initial Address Message shall analyze ... to determine the routing of the call. ... If the call is still permitted, the intermediate exchange then seizes a free interexchange circuit and sends an Initial Address Message to the succeeding exchange."

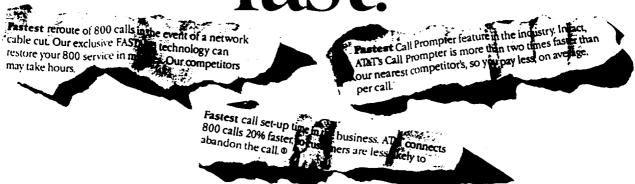
¹ Bellcore Local Number Portability Capability Specification, GR-2936-CORE, draft, May 1996, page 4-33.

² ANSI T1.113-1992, paragraph 2.1.1.1.

³ Id, paragraph 2.1.1.2.

There's a reason the compe can't kee with us.

We're just too



At AT&T, we know you need an 800 service that can keep up with a fast-paced, rapidly changing, get-it-done-yesterday business world. And nobody connects calls faster, or reroutes calls faster, than

AT&T 800 Service. So your business can get more 800 calls, more 800 sales, and more 800 revenue.

You see, we're not just the best 800 service. We're also the fastest.

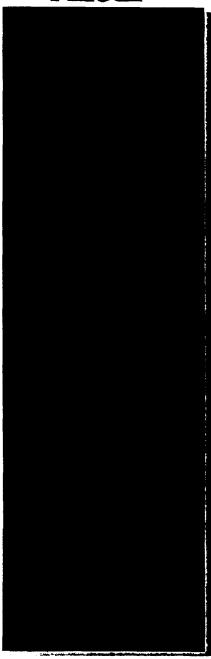
For more information, call your Acct. Executive or 1800 222-0400.

"The fastest, most reliable 800 service." One of the 800 reasons™ to choose AT&T 800 Service.

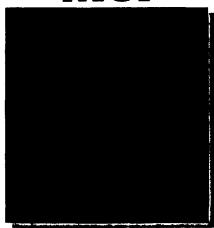
AT&T. The Best in the Business.



AT&T



MCI



AT&T. THE BEST IN THE BUSINESS.

BAR NONE.

Today, businesses are free to choose their long distance company: At AT&T, we understand the significance of that choice. It means increased competition, which we welcome, and a marketplace hungry for innovation. It gives new meaning and urgency to the phrase "satisfying customers." As a result, we are even more determined to offer innovative services, features, and solutions that you can trust to be the best in the business.

The facts speak for themselves, ATXT's network has the fastest call set-up time, unsurpassed sound quality, the fewest blocked calls, and the highest percentage of fax transmissions completed on the first try. ATXT Data Communication Services continue to be ranked first in technology, reliability, and circuit quality. And ATXT has the most reliable 800 Service, which has been proven year after year through comprehensive performance studies of millions of calls. Second place is not what we are about.

Our customers trust AT&T. They rely on us for our technological superiority; our innovation, our responsiveness. Our philosophy is simple. We take nothing for granted. We must re-earn that trust every single day; whether it's serving the long distance needs of a small business, providing 800 service, or setting standards for data communications. It is an ambitious vision, but it drives our business.

When it comes to satisfying the customer, large or small, no test is more clear than how people vote in the marketplace. The fact is three times as many companies have chosen and continue to choose AT&T over MCI, including 500 of the Fortune 500 companies. Business has a choice. Overwhelmingly, they choose the best. To find out more, call your Account Executive, or 1 800 222-0400.

AT&T. The Best in the Business.



This advantagement was programed by McCoron Scalabors, Sc. P.O.F. 88669. AND 278 M. Charottel Capitan. A767 "Sor Pane" Object 2 Francis Pages SVM (10 n 21) Published & Date: Wall St. Januard -ubn. 11, 1900 Published & Date: Wall C. Januard -ubn. 11, 1900 Published & Coron Coron Coron St. Januard -ubn. 11, 1900 Published & Coron Coron St. Januard -ubn. 11, 1900